

WC 05-64

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of )  
 )  
MercedNet, Inc. )  
 )  
Section 63.71 Application to Discontinue )  
Domestic Non-Dominant Telecommunications )  
Services in the Merced, California Basic Trading Area )

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Federal Communications Commission  
Office of Secretary

SECTION 63.71 APPLICATION

REC'D FEB 09 REC'D CPD

MercedNet, Inc. (MercedNet"), a domestic non-dominant carrier, hereby requests authorization, pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.71 of the Commission's Rules, to discontinue its provision of local exchange telephone services (including exchange access services) and domestic interstate long distance toll services to its customers in the Merced, California Basic Trading Area ("BTA"). In support of this application, the following information is submitted pursuant to Section 63.71(b) of the Commission's Rules:

1. Name and Address of Carrier. The applicant is:

MercedNet, Inc.  
450 West 18<sup>th</sup> Street  
Merced, California 95340  
Telephone: (209) 386-0876  
Facsimile: (209) 386-0878

2. Date of Planned Service Discontinuance. MercedNet plans to discontinue the provision of its local exchange telephone services, domestic interstate long distance toll services, and exchange access services on March 5, 2005. MercedNet furnishes these services over, or in conjunction with, Local Multipoint Distribution Service ("LMDS") Station WPOK277 in the Merced, California BTA. To the extent that Section 101.305(b) of the Commission's Rules

requires the termination of the Station WPOK277 license in the event that permanent discontinuance of service is authorized by the Commission, MercedNet requests that the license for its LMDS Station WPOK277 not be terminated prior to March 5, 2005.

3. **Points of Geographic Areas of Service Affected**. The geographic area affected is the Merced, California BTA, which consists of Merced County and Mariposa County, California.

4. **Types of Service Affected**. MercedNet provides wireless local exchange service and wireless exchange access service over the facilities of LMDS Station WPOK277. It currently provides local exchange service to approximately sixty-two (62) business customers and no residential customers. MercedNet has been providing originating and/or terminating access to approximately fourteen (14) interexchange carriers.

MercedNet has been reselling the domestic long distance toll service of AT&T Corp. to approximately thirty-eight (38) of its business local exchange service customers. MercedNet does not itself own, control or operate any interstate interexchange facilities or networks.

5. **Dates and Methods of Notice to Affected Customers**. On January 5, 2005, MercedNet mailed the attached notice (Exhibit 1) to all 62 of its local exchange service customers (including all 38 of its long distance toll service customers). This notice contains all of the information required by Section 63.71(a) of the Commission's Rules.

On January 10, 2005, MercedNet mailed the attached notice (Exhibit 2) to the fourteen interexchange carriers to which it has been providing and billing originating and/or terminating access. This notice likewise contains all of the information required by Section 63.71(a) of the Commission's Rules.

6. **Dominant or Non-Dominant Status**. MercedNet is a non-dominant carrier in both the local exchange telephone service market and the long distance toll service market in the

Merced, California BTA. The dominant local exchange telephone carrier in the market is Pacific Bell Telephone Company d/b/a SBC California. There appear to be at least fourteen (14) competing wireline, wireless, and non-facilities-based providers of interstate long distance toll services in the market, none of which appears to be classified as a dominant carrier. MercedNet's approximate 38 interstate long distance toll customers constitute a small and non-dominant portion of the long distance toll market in the Merced, California BTA.

### Conclusion

MercedNet, a non-dominant carrier, has notified all of its approximately 62 local exchange telephone service customers, 38 long distance toll service customers, and 14 exchange access customers in the Merced, California BTA that it will discontinue these services on March 5, 2005. These notices, which were mailed on January 5 and 10, 2005, will give MercedNet's customers more than adequate time to make alternative service arrangements.

MercedNet therefore requests Commission authorization to discontinue its local exchange telephone services, interstate long distance toll services, and exchange access services on March 5, 2005, and to operate LMDS Station WPOK277 until that date.

Respectfully submitted,  
MERCEDNET, INC.

By   
Gerard J. Duffy

Its Attorney

Blooston, Mordkofsky, Dickens  
Duffy & Prendergast  
2120 L Street, NW (Suite 300)  
Washington, DC 20037  
Telephone: (202) 659-0830  
Facsimile: (202) 828-5568  
Email: [gjd@bloostonlaw.com](mailto:gjd@bloostonlaw.com)  
Dated: January 13, 2005

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**Exhibit 1**



mercednet

Mercednet Inc. PO Box 71, Merced, CA 95340 (209) 386-0876 fax (209) 386-0878

January 5, 2005

«CUSTOMER\_NAME»  
«ADDRESS\_LINE\_ONE»  
«ADDRESS\_LINE\_TWO»  
«CITY\_NAME», «STATE» «ZIPCODE»

Dear Customer:

We regret to advise you that MercedNet is forced by circumstances beyond its control to terminate local telephone, long distance and Internet access services in the Merced California Basic Trading Area on March 5, 2005. A key hardware vendor is no longer manufacturing or supporting the equipment that we use to provide these services. This means that, if anything in our system breaks, you might be suddenly without service.

Because of the risk of spontaneous equipment failure, we strongly recommend that you select one or more other carriers for your local, long distance and Internet access services as soon as you are able. We will not voluntarily terminate your service, however, until we have met the requirements of the California Public Utilities Commission and Federal Communications Commission to do so.

### Long Distance Service

MercedNet is today filing with the California Public Utilities Commission its Advice Letter Number 18 requesting authority to stop providing Intra-state long distance toll service on March 5, 2005. It will file a similar request with the Federal Communications Commission for discontinuance of the Interstate and International Long Distance toll services and other services provided to you and other customers on the same March 5, 2005 date.

We urge you to choose another long distance carrier before our March 5, 2005 termination date. We recommend you contact other long distance companies to find the rate plan that best meets your needs. When you reach your decision, you should ask the new company to change you over, either immediately, or on the date we will stop providing long distance toll services. We will not charge you for changing companies, and we will pay any costs charged by your new company to change long distance carriers.

Anyone may protest our advice letter to the California Public Utilities Commission (CPUC). The protest must set forth the specific grounds on which it is based, including such items as financial and service impact. A protest must be made in writing and received within twenty (20) days of the date the advice letter was filed with the CPUC. The address for mailing or delivering a protest to the CPUC is:

Director, Telecommunications Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

The Federal Communications Commission (FCC) will normally authorize this proposed discontinuance of service unless it is shown that customers would be unable to receive service or a reasonable substitute from another carrier or that the public convenience and necessity is otherwise adversely affected. If you wish to object, you should file your comments within 15 days after receipt of this notification. Address them to the Federal Communications Commission, Washington, DC 20554, referencing the §63.71 Application of MercedNet, Inc. Comments should include specific information about the impact of this proposed discontinuance upon you or your company, including any inability to acquire reasonable substitute service."

Please mail copies of any objections to MercedNet at the address at the top of this letter on the same date they are mailed or delivered to the CPUC or FCC.

#### **Local Telephone Service**

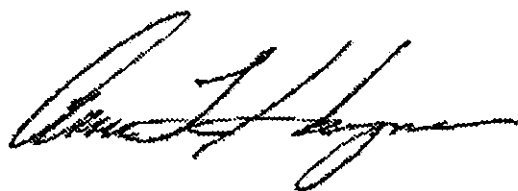
MercedNet intends also to stop providing local telephone service on March 5, 2005, provided we obtain authority from the California Public Utilities Commission and the Federal Communications Commission to do so. Again, you may object or file comments as described in the Long Distance section of this notification above. The default carrier in your service area is Pacific Bell Telephone Company d/b/a SBC California. Its toll free customer service number is 1-800-750-2355

#### **Internet Access Services**

MercedNet plans to discontinue all Internet access services, including wireless broadband, DSL, LMDS and Dial-up service on March 5, 2005. To avoid interruption of these services, we suggest that you find an alternative Internet Service Provider as soon as possible.

It has been a pleasure to provide your telephone and Internet service needs. If you have any questions or wish our assistance in moving your services to other providers, please contact us during regular business hours at one of the telephone numbers above.

Sincerely,

A handwritten signature in black ink, appearing to read 'Arne L. Haynes', written in a cursive style.

Arne L. Haynes  
President  
Mercednet Inc.

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## Exhibit 2



mercednet

Mercednet Inc. PO Box 71, Merced, CA 95340 (209) 386-0876 fax (209) 386-0878

January 10, 2005

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Dear Customer:

We regret to advise you that MercedNet is forced by circumstances beyond its control to terminate local telephone, long distance and Internet access services in the Merced California Basic Trading Area on March 5, 2005. Please see the attached notice that was sent to all Mercednet customers on January 5, 2005. In addition to the services mentioned in the attached notice, this also includes switched access service and intercarrier reciprocal compensation service.

Sincerely,

A handwritten signature in black ink, appearing to read 'Arne L. Haynes', with a stylized flourish at the end.

Arne L Haynes  
President  
Mercednet Inc.





mercednet

Mercednet Inc. PO Box 71, Merced, CA 95340 (209) 386-0876 fax (209) 386-0878

January 5, 2005

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Because of the risk of spontaneous equipment failure, we strongly recommend that you select one or more other carriers for your local, long distance and Internet access services as soon as you are able. We will not voluntarily terminate your service, however, until we have met the requirements of the California Public Utilities Commission and Federal Communications Commission to do so.

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#### **Local Telephone Service**

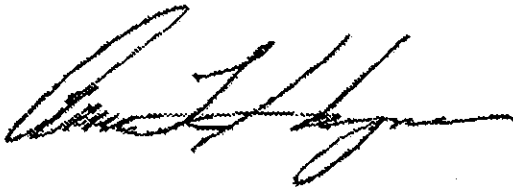
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Sincerely,

A handwritten signature in black ink, appearing to read 'Arne L. Haynes', written in a cursive style.

Arne L Haynes  
President  
Mercednet Inc.

**CERTIFICATE OF SERVICE**

I, Kelly Laraia, hereby certify that a copy of the foregoing "**Application for Streamlined International Section 214 Authority**" was served this 13<sup>th</sup> day of January 2005, by first class mail as indicated, to the persons listed below.

The Honorable Colin L. Powell  
Secretary of State  
United States Department of State  
2201 C Street, N.W.  
Washington, D.C. 20520

The Honorable Donald H. Rumsfeld  
Secretary of Defense  
1000 Defense Pentagon  
The Pentagon  
Washington, D.C. 20301

The Honorable Arnold Schwarzenegger  
Office of the Governor  
State Capitol Building  
Sacramento, CA 95814

Best Copy and Printing, Inc.  
445 12<sup>th</sup> Street, S.W., CY-B402  
Washington, D.C. 20054

  
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Kelly Laraia